

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**

BATON ROUGE, LOUISIANA

JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 01 2012**

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**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
INTRODUCTION AND SUMMARY
June 30, 2011 and 2010**

INTRODUCTION

The Agency received federal funds under Department of Health and Human Services entitlements III-B, III C-1, III C-2, III-D, III-E of the Older Americans Act of 2000, as amended, and the Nutritional Services Incentive Program (N.S.I.P.). Other funds were received from the State of Louisiana under the Louisiana Senior Rx, Elderly Protective Services (Fiscal Year 2010), and Single Point of Entry Programs. Funding was also provided by United Way, Entergy's Project Care and Helping Hand programs and other private grantors.

SUMMARY

During the periods ended June 30, 2011 and 2010, the Agency received \$5,008,562 and \$4,774,612, respectively, to fund administrative costs and programs serving older citizens. Funding is summarized as follows:

	<u>2011</u>	<u>2010</u>
Governor's Office of Elderly Affairs,		
State of Louisiana	\$ 3,357,236	\$ 3,314,474
Louisiana Department of Health and Hospitals	697,861	663,249
Louisiana Department of Insurance	24,427	-
Entergy - Project Care/Helping Hands	89,815	55,835
United Way	145,200	144,006
Participant contributions	285	924
Interest income	946	1,789
Other	692,792	594,335
	<u>\$ 5,008,562</u>	<u>\$ 4,774,612</u>

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the accompanying statements of financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 2011 and 2010, and the related statements of cash flows for the years then ended and the statements of activities and functional expenses for the year ended June 30, 2011. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information shown in the statements of activities and functional expenses has been derived from the Agency's 2010 financial statements, and in our report dated November 2, 2010 we expressed an unqualified opinion on those financial statements.

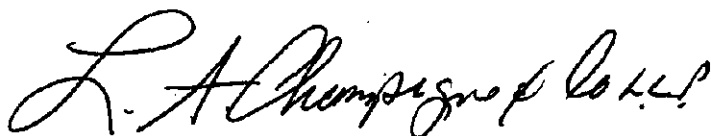
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 2011 and 2010 and its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Continued...

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Capital Area Agency on Aging - District II, Inc., taken as a whole. The accompanying supplemental information description of programs pages 15 through 17, the detailed schedule of program activities page 18 and the schedule of changes in fixed assets page 19 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the accounting and other records used to prepare the financial statements. Also, the accompanying supplemental schedule of expenditures of federal awards on page 20 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



November 21, 2011

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
STATEMENTS OF FINANCIAL POSITION**
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 282,513	\$ 224,097
Receivables on funding contracts	119,052	184,448
Due from subcontractors	176,842	196,054
Prepaid expenses	21,487	10,004
	<u>599,894</u>	<u>614,603</u>
 FIXED ASSETS		
Computer and related equipment	50,862	52,462
Office equipment	33,430	33,430
Furniture and fixtures	3,421	3,421
	<u>87,713</u>	<u>89,313</u>
Less accumulated depreciation	50,059	41,571
	<u>37,654</u>	<u>47,742</u>
	<u>\$ 637,548</u>	<u>\$ 662,345</u>
 CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 194,545	\$ 195,632
Due to subcontractors	124,122	164,560
Accrued compensated absences	45,037	33,120
	<u>363,704</u>	<u>393,312</u>
 NET ASSETS		
Unrestricted	115,332	106,535
Temporarily restricted	158,512	162,498
	<u>273,844</u>	<u>269,033</u>
	<u>\$ 637,548</u>	<u>\$ 662,345</u>

See accompanying notes

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.

STATEMENT OF ACTIVITIES

Year ended June 30, 2011

(With comparative totals for the year ended June 30, 2010)

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Governor's Office of Elderly Affairs	\$ -	\$ 3,357,236	3,357,236	\$ 3,314,474
Department of Health and Hospitals	-	697,861	697,861	663,249
Department of Insurance	-	24,427	24,427	-
Capital Area United Way	-	145,200	145,200	144,006
Entergy (Project Care/Helping Hands)	-	89,815	89,815	55,835
Local Support - Title III-C-1/III-C-2 Meals	-	657,811	657,811	543,210
Participant contributions	-	285	285	924
Other support and revenues	34,981	-	34,981	51,125
Interest income	946	-	946	1,789
	<u>35,927</u>	<u>4,972,635</u>	<u>5,008,562</u>	<u>4,774,612</u>
Net assets released from restrictions	<u>4,976,621</u>	<u>(4,976,621)</u>	<u>-</u>	<u>-</u>
	<u>5,012,548</u>	<u>(3,986)</u>	<u>5,008,562</u>	<u>4,774,612</u>
EXPENSES				
Grants and allocations	1,416,916	-	1,416,916	1,381,369
Functional expenses:				
Program services				
Title III-C-1 Congregate Meals	480,440	-	480,440	456,698
Title III-C-2 Home Delivered Meals	1,400,432	-	1,400,432	1,352,503
Title III-D Preventive Health	5,024	-	5,024	5,049
Community Living Program	191,185	-	191,185	99,759
Alzheimer's Disease Support Program	4,498	-	4,498	60,833
ADRC/SeniorRx	154,844	-	154,844	240,466
Chronic Disease Self Management	48,517	-	48,517	-
LTC Ombudsman	226,746	-	226,746	-
DHH Single Point of Entry	641,206	-	641,206	594,652
Medicare Enrollment Assistance Program (MIPPA)	56,790	-	56,790	10,470
CMS Research Demonstration & Evaluation (MIPPA)	14,527	-	14,527	6,993
Elderly Protective Services	-	-	-	192,314
Total program services	<u>3,224,209</u>	<u>-</u>	<u>3,224,209</u>	<u>3,019,737</u>
Fund raising	4,968	-	4,968	8,846
Management and general	357,658	-	357,658	322,054
Total functional expenses	<u>3,586,835</u>	<u>-</u>	<u>3,586,835</u>	<u>3,350,637</u>
Total expenses	<u>5,003,751</u>	<u>-</u>	<u>5,003,751</u>	<u>4,732,006</u>
Change in net assets	8,797	(3,986)	4,811	42,606
Net assets - beginning of year	106,535	162,498	269,033	226,427
Net assets - end of year	<u>\$ 115,332</u>	<u>\$ 158,512</u>	<u>\$ 273,844</u>	<u>\$ 269,033</u>

See accompanying notes

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2011
(With comparative totals for the year ended June 30, 2010)

	Title III-C-1 Congregate Meals	Title III-C-2 Home Delivered Meals	Title III-D Preventive Health	Community Living Program	Alzheimer's Disease Self Management	Medicare Enrollment Assistance Program - MIPPA	CMS Research Demonstrations & Evaluations MIPPA
Catered meals	\$ 480,440	\$ 1,400,432	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	4,400	18,146	-	38,210	6,604
Payroll taxes	-	-	366	1,416	-	2,961	639
Benefits	-	-	248	1,410	-	3,404	796
Travel	-	-	-	-	-	1,082	528
Advertising	-	-	-	-	-	280	137
Dues and subscriptions	-	-	-	-	-	44	-
Equipment maintenance	-	-	-	-	-	406	144
Equipment rental	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	2,347	642
Occupancy	-	-	-	-	-	2,698	2,784
Telephone	-	-	-	622	-	1,809	693
Software licensing	-	-	-	-	-	250	-
Insurance	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	2,372	1,107
Conference and training	-	-	-	-	-	-	-
Other contractual services	-	-	-	189,341	4,498	446	218
Accounting	-	-	-	-	-	134	66
Depreciation	-	-	-	250	-	347	169
Miscellaneous expense	-	-	-	-	-	-	-
Materials - III-D	-	-	10	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-
	<u>\$ 480,440</u>	<u>\$ 1,400,432</u>	<u>\$ 5,024</u>	<u>\$ 191,185</u>	<u>\$ 4,498</u>	<u>\$ 56,790</u>	<u>\$ 14,527</u>

FY 2011

FY 2010

Aging and Disability Resource Center/SRx	DHH Single Point of Entry (SPOE)	Chronic Disease Self Management	Long Term Care Ombudsman	Total Program Services	Fundraising	Management and General	Total	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,880,872	\$ -	\$ -	\$ 1,880,872	\$ 1,809,662
105,043	448,963	29,635	146,635	797,636	-	239,986	1,037,622	925,043
8,779	37,708	2,204	12,247	66,320	-	19,743	86,063	74,186
11,579	54,100	2,055	27,192	100,784	-	22,104	122,888	102,839
600	9,475	3,063	21,412	36,160	-	9,667	45,827	59,191
417	1,932	-	-	2,766	-	586	3,352	5,890
150	1,898	-	-	1,890	-	1,221	3,111	1,931
953	198	764	600	3,065	-	320	3,385	2,484
271	4,358	-	-	4,629	-	-	4,629	4,492
980	2,916	-	600	4,496	-	782	5,278	7,707
229	2,625	1,605	1,970	9,418	292	1,364	11,074	20,314
9,252	26,503	-	2,634	43,871	-	22,843	66,714	62,685
2,044	15,597	-	5,015	25,780	-	4,538	30,318	27,080
3,182	597	-	-	4,009	-	4,392	8,401	7,554
1,369	2,074	-	1,500	4,943	-	785	5,728	6,692
3,500	4,858	1,544	3,334	18,715	-	7,941	24,656	25,888
423	79	-	-	502	-	2,620	3,122	5,476
735	13,854	7,647	1,388	198,127	-	2,385	200,512	153,814
1,875	4,125	-	1,720	7,920	-	8,380	14,300	14,300
2,973	5,578	-	308	9,625	-	2,132	11,757	11,130
510	1,943	-	191	2,644	4,676	7,869	15,189	22,059
-	-	-	-	10	-	-	10	49
-	2,027	-	-	2,027	-	-	2,027	371
\$ 154,844	\$ 641,206	\$ 48,517	\$ 226,746	\$ 3,224,209	\$ 4,968	\$ 357,658	\$ 3,586,835	\$ 3,350,637

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,811	\$ 42,606
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	11,757	11,130
Loss on disposition of fixed assets	2,027	371
Decrease (increase) in:		
Receivables on funding contracts	65,396	(101,871)
Receivables from subcontractors	19,212	(45,657)
Prepaid expenses	(11,483)	(8,384)
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,086)	(348)
Payables to subcontractors	(40,438)	23,040
Accrued compensated absences	11,917	6,802
Net cash provided by (used in) operating activities	<u>62,113</u>	<u>(72,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>(3,697)</u>	<u>(21,490)</u>
Net cash used in investing activities	<u>(3,697)</u>	<u>(21,490)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	58,416	(93,801)
Cash - beginning of year	224,097	317,898
Cash - end of year	<u>\$ 282,513</u>	<u>\$ 224,097</u>

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities and reporting entity

Capital Area Agency on Aging-District II, Inc. (the Agency) is a non-profit entity incorporated in 1974 to ensure the availability of supportive, nutrition, and volunteer services to people aged 60 and older in the ten parishes surrounding the Baton Rouge capital area. Elderly protective services (FY 2010) were provided in five surrounding parishes. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. At present, the Agency does not have any permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and expense recognition

Contributions, grants and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Agency reports grants and gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

Fixed assets and depreciation

Fixed assets are carried at cost less accumulated depreciation. The assets are depreciated for financial reporting purposes using the straight-line method over estimated useful lives of five to ten years.

Donated services

No amounts have been reflected in the financial statements for donated services. The Agency pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency with its various program activities.

Cash

For the purpose of the statement of cash flows, the Agency considers all short-term savings to be cash.

Under the requirements of its grant funding from the State of Louisiana, the Agency must collateralize cash balances held in financial institutions that are in excess of federal deposit insurance. Such deposits are collateralized under a security pledge arrangement with the financial institution which meets the requirements of state law.

Functional expenses

Virtually all expenses are charged directly to their functional class. Other expenses are allocated between program, fundraising and management and general based upon management's estimates.

Budget policy

Budgets for the various programs are prepared by the Agency's Executive Director and approved by the Agency's Board of Directors and program grantors. Appropriations from the Governor's Office of Elderly Affairs under Federal Title III lapse at year end. Title IV and other federal appropriations lapse at the federal fiscal year end. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency may transfer funds between budgetary line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs with respect to funds received under contracts from that agency.

Receivables and bad debts

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and sick leave

Employees of the Agency are entitled to paid vacation, depending on the length of service. The Agency has recorded a liability for the unused vacation attributable to all eligible employees at the employee's current rate of pay. Because accrued sick leave lapses upon termination, no amount has been accrued.

Advertising costs

The Agency expenses advertising costs as incurred.

Income tax status

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(C)(3) of the Internal Revenue Code.

Capital Area Agency on Aging, District II applies the standards in FASB ASC 740-10 in accounting for uncertainty in income taxes. Capital Area Agency on Aging, District II files a United States return of organization exempt from income tax. The Agency's returns for 2007, 2008, 2009, and 2010 are subject to examination by the Internal Revenue Service.

Comparative financial information

The statement of activities and statement of functional expenses include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America.

B: RECEIVABLES ON FUNDING CONTRACTS

Receivables on funding contracts at June 30, 2011 and 2010, consist of the following:

	2011	2010
Governor's Office of Elderly Affairs:	\$	\$
Title III-B Supportive Services	-	4,136
Medicare Enrollment Assistance Program	7,100	9,511
Alzheimer's Disease Demonstration Grants	-	74,247
Department of Health and Hospitals		
Single Point of Entry	76,102	96,554
Title III-B Ombudsman	13,690	-
Title III-E National Family Caregiver Support	10,622	-
Chronic Disease Self Management Grant	11,538	-
	\$ 119,052	\$ 184,448

C: BOARD OF DIRECTORS' COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses. These reimbursements amounted to \$2,439 in 2011 and \$2,430 in 2010.

D: PENSION AND DEFERRED COMPENSATION PLANS

The agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$38,745 and \$27,586 including administrative charges, is reported in fringe benefits for 2011 and 2010, respectively. Plan benefits are funded through group annuity contracts that were valued at \$221,839 as of December 31, 2010.

The Agency maintains a voluntary salary reduction tax deferred compensation plan for employees electing to participate. The Agency does not make any contributions to this plan administered by Mutual of America.

E: LEASE COMMITMENTS

The Agency is currently obligated under an operating lease agreement for its area office located in Baton Rouge, Louisiana.

Effective January 21, 2011, the Agency entered into a long-term lease arrangement expiring February 28, 2015 with monthly rentals starting at \$7,043 per month and increasing annually during the lease term. Future minimum lease payments for the area office are as follows:

<u>Year Ended</u>	<u>Amount</u>
06/30/12	\$ 85,417
06/30/13	87,215
06/30/14	89,013
06/30/15	44,956
	<u>\$ 306,601</u>

Lease expense was \$66,713 and \$62,685 for the years ended 2011 and 2010, respectively.

F: INTER-PROGRAM TRANSFERS

Transfers in and out are listed by program type for the year ended June 30, 2011:

Transfers In For:	Transfers Out From:					Total Transfers In
	United Way	N.S.I.P.	CDSM	MIPPA	Other Restricted	
Area Agency Administration	\$ 47,154	-	2,704	6,154	17,105	\$ 73,117
Title III C-1	-	109,463	-	-	-	109,463
Title III C-2	90,724	275,099	-	-	-	365,823
ADRC/SeniorRx	7,813	-	-	-	14,023	21,836
SPOE	-	-	-	-	69,130	69,130
Total Transfers Out	\$ 145,691	\$ 384,562	\$ 2,704	\$ 6,154	\$ 100,258	\$ 639,369

G: ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and Louisiana state governments. If significant budget cuts are made at the federal and/or state level, the Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year. The Single Point of Entry program/contract was concluded in October, 2011.

H: FEDERALLY ASSISTED PROGRAMS - COMPLIANCE CONTINGENCIES

Federal and state assistance programs represent an important source of funding for the Agency. These programs are audited annually in accordance with the "Single Audit Act". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Agency management believes that further examination would not result in any significant disallowed costs.

I: SUBCONTRACTOR AUDITS

All Council on Aging subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with government auditing standards and, additionally, in accordance with the "Single Audit Act" if federal expenditures exceed specified thresholds.

J: NET ASSETS

Temporarily restricted net assets consist of funds designated by donors or grantors for specific purposes or programs and total \$158,512 and \$162,498 at June 30, 2011 and 2010, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	2011	2010
Purpose restriction accomplished:		
Area Agency Administration	\$ 189,923	\$ 179,255
Title IIIB Supportive Services	585,715	584,541
Title IIIC Congregate and Home Delivered Meals	1,860,488	1,701,221
Title IIID Preventive Health	35,201	27,596
Title IIIE Caregiver Support	182,876	206,907
Single Point of Entry program	710,335	664,853
Long Term Care program	242,197	-
SeniorRx / ADRC program	125,908	240,466
Senior Health Insurance program	15,677	-
Nutritional Services Incentive program	384,562	430,707
Community Living program	252,275	119,063
Alzheimer's Disease Support program	4,498	85,502
Chronic Disease Self Management	51,221	-
Medicare Enrollment Assistance	65,463	17,288
CMS Research Demonstration and Evaluations	19,107	6,391
Entergy (Project Care/Helping Hands)	89,815	55,835
Capital Area United Way	153,061	146,298
ARRA Congregate and Home Delivered Meals	-	82,992
Elderly Protective Services	(124)	139,989
Other programs	8,423	5,494
Total restrictions released	\$ 4,976,621	\$ 4,694,398

K: CONCENTRATIONS OF CREDIT RISK

Capital Area Agency on Aging, District II, deposits its cash in financial institutions located in Baton Rouge, Louisiana and at times, account balances may exceed federally insured limits.

L: NON CASH INVESTING AND FINANCING ACTIVITIES

There were no non cash investing and financing activities in fiscal 2011.

M: SUBSEQUENT EVENTS

Subsequent events were evaluated through November 21, 2011, which is the date the financial statements were available to be issued.

DESCRIPTION OF PROGRAMS

Title III C-1 Area Agency Administration (AAA)

The Title III C-1 Area Agency Administration (AAA) Program accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

Title III-B Program

The Title III-B Program is used to account for the support services, which include access services, in-home services, community services, and transportation for the elderly. Title III-B funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers.

Title III C-1 Program

The Title III C-1 Program accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

Title III C-2 Program

Title III C-2 funds are used to provide nutritional meals to home-bound older persons. These funds are provided in the same manner as Title III-B above.

Title III-D Program

The Title III-D Program accounts for funds used to provide disease prevention and health promotion services. This includes wellness activities and medication management services. These funds are provided in the same manner as Title III-B above. A portion of the medication management services is provided directly by the Agency through medication management seminars.

Title III-E Program

The Title III-E Program accounts for funds which are used to provide various caregiver support services. These include public education, information and assistance; support groups, in-home respite care; material aid; personal care services and sitter services. These funds are provided in the same manner as Title III-B above.

Regional Office of LA SeniorRx and Aging and Disability Information Station (ADRC)

The Agency is designated by the Governor's Office of Elderly Affairs as the Aging and Disability Resource Center (ADRC) for a 13-parish area. The ADRC offers a "one-stop-shop" for public and private programs at the community level that will help individuals who are 60 years and older and individuals with adult onset disabilities. This program helps consumers find the answers and information needed to improve their health, independence and quality of life. The Louisiana Senior Prescription Drug Program, operating through the ADRC, links qualified low-income and disabled adults to free or discounted drugs directly from the pharmaceutical manufacturer.

Single Point of Entry Program

The Single Point of Entry Program (SPOE) funded on a cost reimbursement basis, through the Louisiana Department of Health and Hospitals is a pilot program to develop a model for a streamlined access system for applicants of home, community based and facility based services administered by the Department's Office of Aging and Adult Services. This program and contract expired in October, 2011.

N.S.I.P. Program

The Nutritional Services Incentive Program (N.S.I.P.) administered by the U.S. Department of Health and Human Service is used to account for the administration of Food Distribution Program funds, through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congregate and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

United Way Program

The United Way Program is used to account for funds received from the Capital Area and other United Way organizations to supplement administrative costs, the home delivered meals program and a Personal Care Program.

Utility Relief Program

The Utility Relief Program is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency which "passes through" the funds to the various councils to provide assistance to the elderly with emergencies in the payment of energy costs.

Elderly Protective Services Program

The Elderly Protective Services Program is used to account for the administration and support of the program to protect individuals sixty years of age or older who cannot physically or mentally protect themselves. The program also serves those who are harmed or threatened with harm through action or inaction by themselves or by individuals responsible for their care or by other parties. This program terminated in fiscal year 2010.

Alzheimer's Disease Demonstration Grants to States

The Alzheimer's Disease Demonstration Grants to States program is used to assist states in improving the responsiveness of the existing home and community based care systems for persons with Alzheimer's disease and their families. This program and contract expired in December, 2010.

Medicare Enrollment Assistance Program

The Medicare Enrollment Assistance Program is used to provide outreach to eligible Medicare beneficiaries regarding the benefits available under federal and state programs for older Americans.

Centers for Medicare and Medicaid Services

The Centers for Medicare and Medicaid Services Program is used to conduct research, demonstrations, and evaluations for high-quality health care at a reasonable cost. The program will focus on expanding agency efforts to improve the efficiency of payment, delivery, access and quality of our health care programs.

Chronic Disease Self-Management Program

The Chronic Disease Self-Management Program provides funding to support deployment of evidence-based chronic disease self-management programs targeted at older adults with chronic conditions to maintain and improve their health status.

Title III B, Long Term Care Ombudsman Services

The Title III B, Long Term Care Ombudsman provides funding to design and implement programs for the provision of long-term care ombudsman services for individuals living in long-term care facilities.

Other Programs

Other grants and contributions may be used to support various programs as the need arises.

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
DETAILED SCHEDULE OF PROGRAM ACTIVITIES
For the year ended June 30, 2011

	UNRESTRICTED		TEMPORARILY RESTRICTED						LTC Ombudsman
	LOCAL	TITLE III C-1 AAA	TITLE III-B	TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-E	SENIOR/ADRC	
SUPPORT AND REVENUE									
Governmental:									
Federal grants passed through									
Governor's Office of Elderly Affairs	\$ -	\$ 143,006	\$ 386,491	\$ 372,416	\$ 264,379	\$ 35,201	\$ 137,158	\$ -	\$ 193,269
State of Louisiana									
Governor's Office of Elderly Affairs	-	47,669	199,224	138,073	427,609	-	45,718	118,598	48,801
Department of Health and Hospitals	-	-	-	-	-	-	-	-	-
Department of Insurance	-	-	-	-	-	-	-	8,750	-
Other:									
Entergy - Project Care	-	-	-	-	-	-	-	-	-
Helping Hands	-	-	-	-	-	-	-	-	-
Capital Area United Way	-	-	-	-	-	-	-	-	-
Participant contributions	-	-	-	-	-	-	285	-	-
Interest	946	-	-	-	-	-	-	-	-
Annual fund raisers	27,750	-	-	-	-	-	-	-	-
Other	5,856	-	-	86,269	571,542	-	-	-	-
	<u>34,552</u>	<u>190,675</u>	<u>585,715</u>	<u>596,756</u>	<u>1,263,730</u>	<u>35,201</u>	<u>183,161</u>	<u>127,346</u>	<u>240,180</u>
EXPENSES									
Administration:									
Salaries	12,680	228,183	-	-	-	4,400	-	109,457	141,229
Payroll tax and fringe benefits	630	40,173	-	-	-	514	-	20,358	39,439
Travel	346	9,322	-	-	-	-	-	600	21,412
Operating services	1,499	37,673	-	-	-	-	-	18,828	12,320
Operating supplies	-	6,442	-	-	-	-	-	3,499	3,334
Professional services	-	6,753	-	-	-	-	-	2,610	3,107
Other costs	10,400	4,376	-	-	-	10	-	932	191
Capital Outlay	-	-	-	-	-	-	-	-	3,697
	<u>25,755</u>	<u>332,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,024</u>	<u>-</u>	<u>156,284</u>	<u>224,729</u>
CATERED MEALS - MEALS PROGRAM									
Raw food	-	-	-	180,655	431,476	-	-	-	-
Labor and non-edibles	-	-	-	299,785	968,956	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,440</u>	<u>1,400,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contracted social services:									
Alzheimer's Services of Capital Area	-	-	-	-	-	-	14,106	-	-
Ascension Council on Aging, Inc.	-	-	51,359	16,708	17,221	3,141	2,850	-	-
Assumption Council on Aging, Inc.	-	-	48,927	24,368	12,218	2,121	2,850	-	-
Capital Area Legal Services, Inc.	-	-	12,982	-	-	-	-	-	-
East Baton Rouge Council on Aging, Inc.	-	-	-	-	-	-	-	-	-
E. Feliciana Council on Aging, Inc.	-	-	48,496	17,722	35,230	2,118	150	-	-
Gulf Coast Family Teaching, Inc.	-	-	-	-	-	-	145,008	-	-
Iberville Council on Aging, Inc.	-	-	62,323	29,109	23,026	3,892	900	-	-
Pointe Coupee Council on Aging, Inc.	-	-	59,687	39,455	4,543	3,058	3,146	-	-
St. Helena Council on Aging, Inc.	-	-	32,001	8,716	24,194	1,604	738	-	-
Southeast La. Legal Services Corp.	-	-	10,747	-	-	-	-	-	-
Tangipahoa Council on Aging, Inc.	-	-	117,599	53,700	51,416	6,946	1,050	-	-
Washington Council on Aging, Inc.	-	-	82,358	14,550	44,942	4,543	11,463	-	-
W. B. R. Council on Aging, Inc.	-	-	34,192	10,910	4,422	1,537	900	-	-
W. Feliciana Council on Aging, Inc.	-	-	25,044	8,844	11,909	1,207	-	-	-
	<u>-</u>	<u>-</u>	<u>585,715</u>	<u>225,780</u>	<u>229,121</u>	<u>30,177</u>	<u>183,161</u>	<u>-</u>	<u>-</u>
Total expenses	<u>25,755</u>	<u>332,922</u>	<u>585,715</u>	<u>706,220</u>	<u>1,629,563</u>	<u>35,201</u>	<u>183,161</u>	<u>156,284</u>	<u>224,729</u>
Change in net assets before interfund transfers	8,797	(142,247)	-	(109,462)	(365,823)	-	-	(28,936)	15,451
OTHER FINANCING SOURCES (USES):									
Operating transfers in	-	142,247	-	109,462	365,823	-	-	28,936	-
Operating transfers out	-	-	-	-	-	-	-	-	(15,451)
	<u>-</u>	<u>142,247</u>	<u>-</u>	<u>109,462</u>	<u>365,823</u>	<u>-</u>	<u>-</u>	<u>28,936</u>	<u>(15,451)</u>
Change in net assets	8,797	-	-	-	-	-	-	-	-
NET ASSETS									
Beginning of year	78,383	-	-	-	-	-	-	-	-
End of year	<u>\$ 87,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Per instructions from OEA this schedule is prepared without consideration of compensated absences and reports capital outlay in lieu of

ARRA Chronic Disease Self-Management	Community Living Program	Alzheimer's Disease Support Program	Medicare Enrollment Assistance Prog	CMS Research Demonstrations and Evaluations	DHHS SINGLE POINT OF ENTRY	NSIP	AUDIT	DOI - SHIP OUTREACH	UNITED WAY	UTILITY RELIEF	OTHER	TOTAL
\$ 48,870	\$ 252,025	\$ 4,498	\$ 64,947	\$ 14,527	\$ -	\$ 410,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326,882
-	-	-	-	-	697,861	-	6,372	-	-	-	-	1,030,354
-	-	-	-	-	-	-	-	15,677	-	-	-	24,427
-	-	-	-	-	-	-	-	-	-	37,726	-	37,726
-	-	-	-	-	-	-	-	-	145,200	52,089	-	52,089
-	-	-	-	-	-	-	-	-	-	-	-	145,200
-	-	-	-	-	-	-	-	-	-	-	-	285
-	-	-	-	-	-	-	-	-	-	-	-	946
-	-	-	-	-	-	-	-	-	-	-	-	27,750
-	-	-	-	-	-	-	-	-	-	-	1,375	665,042
48,870	252,025	4,498	64,947	14,527	697,861	410,075	6,372	15,677	145,200	89,815	1,375	5,008,562
27,284	18,146	-	33,830	8,604	444,093	-	-	-	-	-	-	1,025,706
4,258	2,826	-	6,365	1,435	91,808	-	-	-	-	-	-	208,106
3,063	-	-	1,082	528	9,475	-	-	-	-	-	-	45,828
2,388	622	-	7,883	4,570	58,496	-	-	-	-	-	-	144,040
1,544	-	-	2,372	1,107	4,858	-	-	-	-	-	-	23,156
28	-	-	480	234	17,779	-	-	-	-	-	-	30,989
7,622	169,341	4,498	103	49	2,222	-	1,684	-	-	-	1,009	202,437
-	-	-	-	-	-	-	-	-	-	-	-	3,697
48,166	180,935	4,498	51,695	14,527	628,731	-	1,684	-	-	-	1,009	1,683,959
-	-	-	-	-	-	-	-	-	-	-	-	612,131
-	-	-	-	-	-	-	-	-	-	-	-	1,268,741
-	-	-	-	-	-	-	-	-	-	-	-	1,680,872
-	8,440	-	-	-	-	-	-	-	-	-	-	22,546
-	1,376	-	-	-	-	-	498	-	-	23,330	-	118,481
-	-	-	-	-	-	-	335	-	-	8,789	-	97,606
-	-	-	-	-	-	-	-	-	-	-	-	12,982
-	12,653	-	-	-	-	-	-	-	-	-	-	12,653
-	225	-	-	-	-	-	334	-	-	3,082	-	107,357
-	38,396	-	-	-	-	-	-	-	-	-	-	183,404
-	-	-	-	-	-	-	510	-	-	12,062	-	131,822
-	-	-	-	-	-	-	461	-	7,369	3,172	-	120,901
-	-	-	-	-	-	-	280	-	-	6,172	-	73,705
-	-	-	-	-	-	-	-	-	-	-	-	10,747
-	-	-	-	-	-	-	1,097	-	-	20,572	-	252,380
-	-	-	-	-	-	-	717	-	-	5,760	-	164,333
-	-	-	-	-	-	-	218	-	-	7,838	-	59,917
-	-	-	-	-	-	-	240	-	-	1,038	-	48,082
-	81,090	-	-	-	-	-	4,688	-	7,369	89,815	-	1,416,916
48,166	252,025	4,498	51,695	14,527	628,731	-	6,372	-	7,369	89,815	1,009	4,981,747
2,704	-	-	13,252	-	69,130	410,075	-	15,677	137,831	-	368	26,815
-	-	-	(7,100)	-	-	-	-	-	-	-	-	639,368
(2,704)	-	-	(6,152)	-	(69,130)	(384,562)	-	(15,677)	(145,692)	-	-	(639,368)
(2,704)	-	-	(13,252)	-	(69,130)	(384,562)	-	(15,677)	(145,692)	-	-	-
-	-	-	-	-	-	25,513	-	-	(7,861)	-	368	26,815
-	-	-	-	-	-	108,856	-	-	38,304	-	30,869	254,412
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,369	\$ -	\$ -	\$ 30,443	\$ -	\$ 31,235	\$ 281,227

depreciation expense

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
SCHEDULE OF CHANGES IN FIXED ASSETS
June 30, 2011**

	Balance June 30, 2010	Reclass- ifications	Additions	Deletions	Balance June 30, 2011
FIXED ASSETS					
Computer and related equipment	\$ 52,462	\$ -	\$ 3,697	\$ 5,297	\$ 50,862
Office equipment	33,430	-	-	-	33,430
Furniture and fixtures	3,421	-	-	-	3,421
TOTAL FIXED ASSETS	89,313	-	3,697	5,297	87,713

INVESTMENT IN FIXED ASSETS					
Title III C-1 Area Agency Administration	\$ 3,421	\$ -	\$ -	\$ -	3,421
State Adult Protective Services	1,818	-	-	-	1,818
Title III-E National Caregiver Support Louisiana ADRC/Senior Rx	6,876	-	-	-	6,876
Title IV - Aging and Disability Resource Center	20,848	-	-	-	20,848
DHH Single Point of Entry (SPOE)	35,366	-	-	3,475	31,891
Community Living Program	2,500	-	-	-	2,500
Medicare Enrollment Assistance Program	2,581	-	-	-	2,581
Title III - LTC Ombudsman	-	-	3,697	-	3,697
Local	15,903	-	-	1,822	14,081
TOTAL INVESTMENT IN FIXED ASSETS	\$ 89,313	\$ -	\$ 3,697	\$ 5,297	\$ 87,713

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2011

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through the Louisiana Governor's Office Of Elderly Affairs:				
Special Programs for the Aging:				
Title III, Part B Ombudsman	93.042	\$ 156,106	\$ 156,106	\$ 156,106
Title III, Part B Supportive Services	93.044	386,491	386,491	386,491
Title III, Part B Ombudsman	93.044	37,183	37,183	37,183
Total Title III, Part B		579,780	579,780	579,780
Title III, Part C-Area Agency Administration	93.045	143,006	143,006	143,006
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	372,416	372,416	372,416
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	264,379	264,379	264,379
Total Title III, Part C	93.045	779,801	779,801	779,801
Nutritional Services Incentive Program	93.053	410,075	410,075	384,562
Total Cluster		1,769,656	1,769,656	1,744,143
Title III, Part D Disease Prevention and Health Promotion Services	93.043	35,201	35,201	35,201
Title III, Part E Caregiver Support	93.052	137,158	137,158	137,158
American Recovery and Reinvestment Act (ARRA) Chronic Disease Self-Management	93.725	85,194	48,870	48,870
Alzheimers Disease Demonstration Grants to States	93.051	266,220	256,523	256,523
Medicare Enrollment Assistance Program (MIPPA)	93.071	34,013	34,013	34,013
Medicare Enrollment Assistance Program (MIPPA)	93.518	52,934	38,034	38,034
Center for Medicare and Medicaid Services	93.779	7,427	7,427	7,427
Department of Insurance Center for Medicare and Medicaid Services	93.779	26,945	24,427	24,427
		\$ 2,414,748	\$ 2,351,309	\$ 2,325,796

Note A: Schedule prepared using accrual basis of accounting.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the accompanying financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of Capital Area Agency on Aging - District II, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Capital Area Agency on Aging - District II, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements,

noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, the Governor's Office of Elderly Affairs, and federal awarding agencies and it is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "L. A. Champagne, Jr." followed by a small flourish.

November 21, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

Compliance

We have audited the compliance of Capital Area Agency on Aging - District II, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Capital Area Agency on Aging - District II's major federal programs for the year ended June 30, 2011. Capital Area Agency on Aging - District II, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Capital Area Agency on Aging - District II, Inc.'s management. Our responsibility is to express an opinion on Capital Area Agency on Aging - District II, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about Capital Area Agency on Aging - District II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Capital Area Agency on Aging - District II, Inc.'s compliance with those requirements.

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Capital Area Agency on Aging - District II, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit,

we considered Capital Area Agency on Aging - District II, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Capital Area Agency on Aging - District II, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, the Governor's Office of Elderly Affairs, and federal awarding agencies and it is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.



November 21, 2011

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Capital Area Agency on Aging - District II, Inc.
2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No significant deficiencies in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc. are reported in Part C of this Schedule.
7. The programs tested as a major program are as follows:
 - U. S. Department of Health and Human Services
 - Special Programs for the Aging:
 - Title III-B – Supportive Services; CFDA# 93.044
 - Title III-C – Nutrition Services; CFDA#93.045
 - N.S.I.P. – Nutrition Services Incentive Program; CFDA#93.053
 - ARRA Chronic Disease Self-Management Program; CFDA#93.725
8. The threshold for distinguishing Types A and B programs was \$300,000, except that all American Recovery and Reinvestment Act programs were classified as Type A.
9. Capital Area Agency on Aging - District II, Inc. was determined to be a low-risk auditee.

B: FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAM AUDIT**

There are no findings that are required to be reported in this section of the report.